

1. During the period of this estimate, the attitudes of the non-Communist countries of Southeast Asia will be affected by any substantial change in the East-West power balance, particularly in Asia. Barring a dramatic shift in that power balance, or a substantial realignment of contending forces in Asia, Burma and Thailand will at least maintain and may increase their present degree of anti-Communist sentiment and practical cooperation with the West. Malaya's attitude is of course dependent on the attitude of the UK which is unlikely to change (see preceding section - However the important variable in Malaya will continue to be the attitude of the Malayan Chinese toward the Communist revolt which will remain sensitive to external developments. Indonesia's attitude will be somewhat less responsive, in the short-run, to mainland developments but in any event will remain uncertain developments in Indochina may most directly determine the attitudes of non-Communist Southeast Asia toward the East-West conflict during the period of this estimate.

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almost certainly be ~~an~~ overwhelming popular and official swing
to Communist accommodation. *be less immediately affected*
Malaya would hold on somewhat longer;
if communist influence spread to Thailand and Burma
but ~~the~~ Communist revolt would almost certainly increase to
indigenous unmanageable proportions *the intensified & possibly* over a period. In Indonesia the short-
run effects might be limited, but it too would be much more
vulnerable to Communist influence and would probably become *increasingly*
vulnerable to an internal
1 Communist-dominated in the long run. *take-over.*

3. However, it should be noted that even if Indochina were
toppling, prompt Western reaction in the form of concrete measures
to defend the rest of Southeast Asia might still rally non-
Communist forces. Burma would be likely to respond and to fight
in its own defense if aid and assurances of direct military sup-
port were given at once. Even Thailand might do likewise if
assured of enough forces, including US troops, to defend the
country; if the Communist forces consisted initially only of
the Viet Minh the Thais might put up a real military resistance
at their borders even without direct US aid or the assurance
thereof. And if, through prompt assistance to Burma and Thai-
land, the Communist gains were confined to Indochina, then the
repercussions in Indonesia *and Malaya* would probably not be serious after
the initial phase.

4. On the other hand, if the Indochina conflict continued
to simmer without apparent gain by either side (even though the

almost certainly be an overwhelming popular and official swing to Communist accommodation. Malaya would hold on somewhat longer, but the Communist revolt would almost certainly increase to unmanageable proportions over a period. In Indonesia the short-run effects might be limited, but it too would be much more vulnerable to Communist influence and would probably become Communist-dominated in the long run.

3. However, it should be noted that even if Indochina were toppling, prompt Western reaction in the form of concrete measures to defend the rest of Southeast Asia might still rally non-Communist forces. Burma would be likely to respond and to fight in its own defense if aid and assurances of direct military support were given at once. Even Thailand might do likewise if assured of enough forces, including US troops, to defend the country; if the Communist forces consisted initially only of the Viet Minh the Thais might put up a real military resistance at their borders even without direct US aid or the assurance thereof. And if, through prompt assistance to Burma and Thailand, the Communist gains were confined to Indochina, then the repercussions in Indonesia would probably not be serious after the initial phase.

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long-term result of such "simmering" might be a deterioration of the French position ~~[and correction of French will to continue]~~, it is probable that there would continue to be slow improvement in the attitudes of both Burma and Thailand, meaning chiefly more effective anti-Communist ~~[and anti-Karen]~~ action in the former and greater internal strength and stability in the latter. In Malaya the British position would probably continue its improvement of the past year, less perhaps in military terms, of stamping out the guerillas, than in terms of gaining the loyalty of rural areas, mostly Chinese, that have hitherto inclined to the Communist side. Indonesia, as stated earlier, would follow a course very hard to predict, which would ^{not} be affected greatly by the events in Indochina aside from the possibility of Western reverse.

5. Finally, if, as a third possibility in the spectrum, the Franco-Vietnamese position gradually improved both in territorial control and in the political battle to attract native loyalty, no more than an emergent upward trend would probably be evident during the period of this estimate, and the consequences elsewhere would still be along the lines indicated in paragraph 4 for the period of this estimate, though in the longer run they would tend to be far more favorable than in the case of a continued "simmering."

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6. Other major variables, besides Indochina, would be the attitudes taken by India and the situation in Iran. Any change in the Indian position would have ^{a considerable impact throughout the area, particularly} ~~greatest bearing~~ in Burma, although the extent of Indian influence in Burma ^{on} might decline if Burma made continued progress ^{against local insurgents.} ~~on its Communist problem.~~ Loss of Iran to the West would ^{undoubtedly have an impact} ~~have substantial consequences~~ in Indonesia, ^{but resultant changes in Indonesia's attitude would be} dependent in part on the circumstances but with the ~~possibility of a strong increase in Communist influence particularly~~ ^{possibility of the loss and the attitudes of other Moslem countries.} ~~because of the common Moslem bond.~~

7. The effects of a Korean armistice (estimated as unlikely over the next six months at least) would be uncertain. On the one hand, the French ^{of France} ~~people, if not their~~ government might be induced to believe that the armistice opened the way to a possible honorable avenue of withdrawal from the burdensome conflict in Indochina. On the other hand, the Communist forces that might be released in Korea might so increase the Indochina threat as to cause increased French ~~popular and official~~ pressure for US and UK assurances and perhaps forces in aid of the French position.

Specific Attitudes of Thailand, Burma, and Indonesia, and the Philippine

8. Thailand. Barring a Western reverse in Indochina, Thailand would almost certainly continue to utilize US aid to

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Specific Attitudes of Thailand, Burma, and Indonesia

8. Thailand. Barring a Western reverse in Indochina, Thailand would almost certainly continue to utilize US aid to

build up its armed forces on a modest scale, and would continue to supply rice, rubber, etc., with no more than price haggling. Internally, Communist sentiment would probably remain small, although there would be some susceptibility to Communism among Overseas Chinese, and the government would act against any substantial threat. In Pacific policy, Thailand would probably support a Pacific Pact of broad membership, but would prefer direct alliance with the US. It would welcome increased Japanese trade.

9. Burma. ^{Barring} Bar/a Western reverse in Indochina, the Burmese anti-Communist effort will almost certainly continue or increase in scale and effectiveness, and the government would probably utilize increased ^{economic} US aid effectively. However, this effort will continue to depend heavily on the leadership of a very small group of men, and the favorable trend could be stopped or reversed if some of these left the scene in any way. If stability does increase, Burmese supplies of ^{rice and} wolfram ~~and oil~~ to the West should increase also. In their basic popular and official attitudes, the Burmese would probably remain formally neutral, ~~[though not attracted by Chinese Communist gestures]~~. They would almost certainly seek to avoid any Pacific commitments, and would continue to follow the Arab-Asian bloc in the UN, without however being so deeply affected by colonial issues as ^{some} the others in that bloc.

10. Indonesia. The basic Indonesian attitude would almost certainly remain one of neutrality in the East-West conflict; Every

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major concession or deal with the West would be likely to be matched by an equivalent gesture to the Soviet Bloc. Thus, although Indonesia may pursue actively the TCA agreement just reached with the US, she will also be receptive to Soviet Bloc offers to buy rubber and tin in quantity (following up existing small-scale agreements with some of the Satellites). Moreover, efforts against internal Communist activity will continue to be hampered by dissension and possible bad organization of the army, and by the continued appeal of Communist propaganda, especially among the overseas Chinese, although the danger from the latter group has been reduced by punitive measures that the government is likely to continue. Though it is possible that internal conflict could bring about a serious government deterioration over the next eighteen months, even to the possibility of Communist armed revolt, it is also possible that the ruling groups will draw together to avert impending crises, and that power might come into the hands of one of a number of pro-Western leaders.

Philippines

1. The situation in the Philippines is likely to be one of great confusion in the immediate future, but this is not likely to affect the basic pro-US orientation of the government and people. The Philippines would be far less affected than the rest of Southeast Asia by any developments either way in the Indochina conflict, although their position might gradually be affected by a series of developments unfavorable to the West.

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2. ~~The chief variable in the Philippine situation is, of course,~~ ^{attitudes are unlikely to be basically changed in} ~~the impending presidential election.~~ ^{It is entirely possible that} the incoming Quirino government will try to prevent fair elections through use of the constabulary or other means, and the fact or threat of such interference might lead to violence between Quirino and the Nationalist party, whether led by Magaysay or some other leader. ^{In the political struggle, it is likely that anti-US slogans will be used heavily, but even if the issue of alleged US domination should become central, it would} ^{primarily} ~~almost certainly~~ remain an internal political device not affecting ^{US Philippine defense agreements or the pro-US} ~~the basic foreign policy~~ and attitudes of ~~the government or the mass of~~ the people, ~~or the central US-Philippines military and trade agreements.~~

3. ^{a Philippine government led by either the Liberal or Nationalist parties} As between ~~Quirino and Magaysay~~, there would probably not be much difference in their effectiveness against the Huk movement. The only chance for a substantial increase in Huk influence would arise if the electoral conflict led to wholesale corruption and discredited the democratic process at least temporarily. ^{When this} happened previously in 1949, the Huk gained greatly from the ensuing disillusionment, and this could happen again, though perhaps not on so great a scale.

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Nationalist China

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1. Nationalist Chinese attitudes during the period of this estimate will unquestionably remain pro-Western, and will be virtually uninfluenced by Soviet Bloc courses of action within the range of those assumed. The Chinese Nationalists will generally support any measures of an anti-Communist nature.)

2. [The Chinese Nationalists will certainly maintain their armed forces and build them up to the limitations of manpower and equipment.] ✓ Their attitude on the employment of ^{their own} these forces, however, is problematical. ^{IP On the one hand,} There have been some indications of a growing belief that return to the mainland may be a long way off and of a decline in the attitude that return to the mainland should be pressed even if it means World War III. Among these indications are the increased attention paid to ^{domestic reconstruction} internal reforms and economic projects of a long-term character, and in the external field increased efforts to attract the loyalty of overseas Chinese groups in areas of Asia where they could not assist a short-term return to the mainland.

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their present forces arising from age and the ^{problems related to} ~~difficulties of~~ introducing more than a limited proportion of native Taiwanese into the forces. Chinese Nationalist official willingness to send troops to Korea has declined, with the argument -- which may be largely for bargaining purposes -- that the troops are needed for defense of Taiwan in the absence of substantial additional US aid, especially jet planes. The Chinese Nationalists appear to be inclining toward a desire to build up a force on Taiwan ^{for the purpose of eventually returning the Nationalists to power on the} ~~and not expend it elsewhere except in limited operations~~ ^{mainland} ~~of their own choosing~~ (for which they would like a release of present US ^{restrictions} ~~inhibitions~~). [Desire to "blood" their troops and build up a greater fighting edge is a minor factor; in any event present offshore operations probably will continue to provide enough experience to maintain the fighting edge of the first-line troops at current levels.]

4. Chinese Nationalist reluctance to commit forces in Korea is likely to increase if the Korean War continues on the present basis. The Chinese Nationalists would welcome an expanded Korean War, at least provided it led to no relaxations of US measures to defend Taiwan, and would wish their forces to be in a position to act at a time when they could ^{participate in successful offensive operations} ~~receive full credit for participation~~. ^{alternatives} ~~The unwillingness to commit troops in the present situation is not a question of the numbers requested, and applies to a token force as much as to a larger force.~~

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4. Consistently with their position on Korea, the Chinese Nationalist government is even more firmly opposed to any use of its forces directly in Southeast Asia, taking the position that their forces can best help in this area by direct attack on the mainland.

5. Although only limited numbers of native Taiwanese have been recruited into the Chinese Nationalist forces, their loyalty to Chiang, and anti-Communist reliability are improving and will probably continue to improve assuming that economic conditions on the island continue generally satisfactory. The Taiwanese might also become increasingly willing to engage in offensive operations, and if they once started on such operations would be unlikely to defect.*

6. On trade with the Soviet Bloc, the Chinese Nationalists would almost certainly continue their present stringent controls, and would be prepared to further restrict what little trade remains, if requested by the US.

7. Internally the Chinese Nationalists will certainly continue to act with great vigilance against Communist or alleged Communist activities.

* This paragraph was not covered in the oral presentation. It is inserted for comment in the belief that the position of the Taiwanese should be covered at least generally, though perhaps not as concretely as here. For a recent statement of Taiwanese attitudes, see Robert Sherrod in the Saturday Evening Post of about 10 January. (We have often used worse sources.)

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9.8. In broad matters of foreign policy, the Chinese Nationalists will continue to oppose alleged US concentration on Europe at the expense of Asia. They would be receptive to proposals for an Asiatic NATO, *but would be cautious about committing themselves perhaps through an expansion of ANZUS, provided that the US assumed a leading role in any grouping.* *to an organization which included Japan unless the US were to take a leading role.*

10.9. The Chinese Nationalists would certainly not themselves negotiate with Peiping, and would oppose any large-scale negotiations by the US looking toward a Far Eastern settlement of any scope. Similarly they would oppose any UN settlement of Korea that involved anything they considered to be a compromise, and might work against any efforts in the UN in this direction, though probably not to the extent of vetoing independently any Security Council action.

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15.

South Korea

1. South Korea will unquestionably remain strongly pro-Western, and will make a maximum war effort and *in the military field will* cooperate fully with the US/UN forces. There have been recent indications that popular sentiment for complete unification of Korea as a requisite for an armistice has declined, and it is possible that if the stalemate continues the South Korean population will become prepared to acquiesce without great protest in terms that did include some division of the country. The Rhee government, however, is likely to remain adamant for unification of Korea.

2. ~~[As Japan's position improves, it is likely that the South Korean government will be forced to modify its position toward Japan and seek to improve relations.]~~

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